



State of Wisconsin
Department of Commerce
DIVISION OF COMMUNITY DEVELOPMENT

EMERGENCY SHELTER GRANT PROGRAM

ELIGIBILITY

Any city, county, tribe, or private nonprofit agency (if its project receives an approval certification by the local government) may apply for and receive funding for its emergency shelter program. There are specific requirements for participation by religious organizations. DCD currently administers the application and contract process (including the required Environmental Impact Assessment), monitors the work of the sub grantees, and files appropriate reports with the Department of Housing and Urban Development (HUD).

PROGRAM DESCRIPTION

Authorized by HUD under the Stewart B. McKinney Homeless Assistance Act, the Emergency Shelter Grants (ESG) are to be used to improve the quality of emergency shelters for the homeless, make additional emergency shelters available, meet the costs of operating emergency shelters, and provide prevention programs and essential social services to homeless individuals and families. The shelter programs serve a broad range of homeless interests, including shelters for victims of domestic violence, runaway adolescents, and persons with disabilities, etc.

Emergency shelter funds may be used for one or more of four categories of eligible activities: 1) renovation, major rehabilitation or conversion of buildings for use as emergency shelters for the homeless; 2) prevention programs, up to 30% of the funds may be used for prevention programs; 3) provision of essential services concerned with employment, physical health, mental health, substance abuse, education, or food (up to 30 percent of the funding may be taken from the aggregate amount of the grant that is given to the state or local government and used for essential services); and 4) payments for maintenance, operation costs (exclusive of staff), rent, insurance, utilities, and furnishings.

Grant award recipients must comply with all federal requirements as detailed in the grant agreements between DHIR and the sub grantees. These include nondiscrimination and equal opportunity requirements. Grant amounts, moreover, may not be used to renovate, rehabilitate, or convert buildings owned by pervasively religious organizations unless specific safeguards are established to protect the public investment.

The following are major program requirements:

1. Each city, county, or private nonprofit agency must match its emergency shelter grant with an equal amount of funds from other sources. In the case of the balance of state agencies, an adjusted amount reflects the \$100,000 exemption by the federal government of the required match for those agencies, which find it a hardship to provide the dollar-for-dollar match.
2. Any grantee receiving ESG funds for shelter operations and essential services must maintain the shelter building for as long as federal assistance is received. Any grantee receiving ESG funds for rehabilitation must maintain the shelter building for at least three years. Any grantee receiving ESG funds for major rehabilitation or conversion must use the building as a shelter for at least ten years.
3. Private nonprofit ESG recipients must provide assistance to homeless individuals to help them in obtaining appropriate support services and public and/or private assistance available to them.
4. Participation in the statewide Homeless Management Information System (ServicePoint) is a requirement.
5. Applicants are strongly urged to collaborate within their areas of service to ensure the availability of a comprehensive continuum of services for individuals and families affected by homelessness.

Funds will be made available in a combined application, the state Transitional Housing program and the HUD ESG will be combined as a single application process for both grants. Information regarding the availability of the application on the DCD website, on disc or hard copy will be sent to interested agencies in January. The funding decisions are generally made in Spring and contracts begin in July of each year.

FUNDING

The amount of federal funding for ESG varies, but for the past few years it has been approximately \$1.8 million. All of the HUD funds received are distributed to Milwaukee Metro Counties, Other Metro Counties, and the Balance of State according to a specific formula. Since 1996, funds from the Interest Bearing Real Estate Trust Account (IBRETA) program have been added to the HUD ESG allocation to expand the available dollars. \$375,000 for the Transitional Housing Grant will be added to the pool of funds. Applicants may apply for HUD ESG and/or Transitional Housing funds in the combined application.

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